



# **Waganakising Odawak**

Little Traverse Bay Bands of Odawa Indians

## **Office of the Tribal Chairman**

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### **LTBB MINIMUM INTERNAL CONTROL STANDARDS AMENDMENTS REG-WOS 2005-06 060910-008**

#### **Section 4. - Bingo**

##### **A. Standards for Bingo.**

1. The LTBB Gaming Operation shall develop game protection policies that correspond to these MICS. These policies and any subsequent changes shall require Commission approval.
2. The LTBB Gaming Operation shall develop bingo cash handling policies that correspond to these MICS. These policies and any subsequent changes shall require Commission approval.
3. The LTBB Gaming Operation shall develop bingo emergency policies that correspond to these MICS. These policies and any subsequent changes shall require Commission approval.
4. Bingo staff shall comply with the established standards set forth in Title 31 reporting policies.

##### **B. Bingo Cards.**

1. Inventory of Bingo Paper.
  - a. The bingo paper inventory must be controlled so as to assure the integrity of the bingo paper being used is as follows:
    - i. When received, bingo paper must be inventoried and secured by an authorized agent(s) independent of bingo sales;
    - ii. The issue of bingo paper to the cashiers must be documented and signed for by the authorized agent(s) responsible for the inventory control and a cashier. The bingo control log must include the series number of the bingo paper;

- iii. The bingo control log must be utilized by the gaming operation to verify the integrity of the bingo paper being used; and
  - iv. Once each month, an authorized agent(s) independent of both bingo paper sales and bingo paper inventory control must verify the accuracy of the ending balance in the bingo control log by reconciling it with the bingo paper inventory.
- b. Paragraph (1)(a) of this section does not apply where there is no physical inventory is applicable.

2. Bingo Sales.

- a. There must be an accurate accounting of all bingo sales.
- b. All bingo sales records must include the following information:
  - i. Date;
  - ii. Time;
  - iii. Shift or session;
  - iv. Sales transaction identifiers, which may be the unique card identifier(s) sold or when electronic bingo cards are sold, the unique identifiers of the card faces sold;
  - v. Quantity of bingo cards sold;
  - vi. Dollar amount of bingo sales;
  - vii. Signature, initials, or identification of the agent or device who conducted the bingo sales; and
  - viii. When bingo sales are recorded manually, total sales are verified by an authorized agent independent of the bingo sales being verified and the signature, initials, or identification of the authorized agent who verified the bingo sales is recorded.
- c. No person shall have unrestricted access to modify bingo sales records.
- d. An authorized agent independent of the seller must perform the following standards for each seller at the end of each session:
  - i. Reconcile the documented dollar amount of cards sold to the documented quantity of cards sold;

- ii. Note any variances; and
- iii. Appropriately investigate any noted variances with the results of the follow-up documented.

3. Voiding Bingo Cards.

- a. Procedures must be established and implemented to prevent the voiding of card sales after the start of the calling of the game for which the bingo card was sold. Cards may not be voided after the start of a game for which the card was sold.
- b. When a bingo card must be voided the following controls must apply as relevant:
  - i. A non-electronic bingo card must be marked void; and
  - ii. The authorization of the void, by an authorized agent independent of the original sale transaction (supervisor recommended), must be recorded either by signature on the bingo card or by electronically associating the void authorization to the sale transaction of the voided bingo card.

4. Reissue of Previously Sold Bingo Cards.

- a. When one or more previously sold bingo cards need to be reissued, the following controls must apply:
  - i. The original sale of the bingo card must be verified; and
  - ii. The reissue of the bingo card must be documented, including the identity of the agent authorizing reissuance.

C. Draw.

1. Verification and Display.

- a. Procedures must be established and implemented to ensure the identity of each object drawn is accurately recorded and transmitted to the participants. The procedures must identify the method used to ensure the identity of each object drawn.

- b. For all games offering a prize payout of \$1200.00 (hundred) or more, as the objects are drawn, the identity of the objects must be immediately recorded and maintained for a minimum of twenty-four (24) hours.
- c. Controls must be present to assure that all objects eligible for the draw are available to be drawn prior to the next draw.

D. Manual Payouts and Short Pays.

- 1. Procedures must be established and implemented to prevent unauthorized access or fraudulent transactions using manual payout documents, including:
  - a. Payout documents must be controlled and completed in a manner that is intended to prevent a custodian of funds from altering the dollar amount on all parts of the payout document subsequent to the manual payout and misappropriating the funds.
  - b. Payout documents must be controlled and completed in a manner that deters any one individual from initiating and producing a fraudulent payout document, obtaining the funds, forging signatures on the payout document, and misappropriating funds. Recommended procedures of this standard included but are not limited to the following:
    - i. Funds are issued either to a second verifier of the manual payout (i.e., someone other than the agents who generated/requested the payout) or to two (2) agents concurrently (i.e., the generator/requestor of the document and the verifier of the manual payout). Both witness the manual payout; or
    - ii. The routing of one (1) part of the completed document is under the physical control (e.g., dropped in a locked box) of an agent other than the agent that obtained/issued the funds and the agent that obtained/issued the funds must not be able to place the document in the locked box.
  - c. Segregation of Responsibilities. The functions of sales and prize payout verification must be segregated, if performed manually.

- i. Agents who sell bingo cards on the floor must not verify bingo cards for prize payouts with bingo cards in their possession of the same type as the bingo card being verified for the game.
  - ii. Floor clerks who sell bingo cards on the floor are permitted to announce the identifiers of winning bingo cards.
- d. Validation. Procedures must be established and implemented to determine the validity of the claim prior to the payment of a prize (i.e., bingo card was sold for the game played, not voided, etc.) by at least two (2) persons.
- e. Verification. Procedures must be established and implemented to ensure that a least two (2) persons verify the winning pattern has been achieved on the winning card prior to the payment of a prize.
- f. Authorization and Signatures.
  - i. A Class II gaming system may substitute as one (1) authorization/signature verifying, validating or authorizing a winning card of less than \$1,200.00 (hundred) or other manual payout. Where a Class II gaming system substitutes as an authorization/signature, the manual payout is subject to the limitations provided in this section
  - ii. For manual prize payouts of \$1,200.00 (hundred) or more and less than a predetermined amount not to exceed \$50,000.00 (thousand), at least two (2) agents must authorize, sign and witness the manual prize.
  - iii. Manual prize payouts over a predetermined amount not to exceed \$50,000.00 (thousand) must require one (1) of the two (2) signatures and verifications to be a supervisory or management employee independent of the operation of bingo.
  - iv. This predetermined amount, not to exceed \$50,000.00 must be authorized by management, approved by the gaming regulatory authority, documented, and maintained.

## 2. Documentation.

- a. Manual payouts and short pays exceeding \$10.00 (dollars) must be documented on a two-part form, of which a restricted system record can be considered one (1) part of the form, and documentation, must include the following information:
  - i. Date and time;
  - ii. Player interface identifier or game identifier;
  - iii. Dollar amount paid (both alpha and numeric) or description of personal property awarded, including fair market value. Alpha is optional if another unalterable method is used for evidencing the amount paid;
  - iv. Type of manual payout (e.g., prize payout, external bonus payout, short pay, etc.)
  - v. Game outcome (e.g., patterns, symbols, bingo card identifier/description, etc.) for manual prize payouts, external bonus description, reason for short pay.;
  - vi. Preprinted or concurrently printed sequential manual payout identifier; and
  - vii. Signatures or other authorizations, as required by this part.
- b. For short pays of \$10.00 (dollars) or less, the documentation (single-part form or log is acceptable) must include the following information:
  - i. Date and time;
  - ii. Player interface number;
  - iii. Dollar amount paid (both alpha and numeric). Alpha is optional if another unalterable method is used for evidencing the amount paid;
  - iv. The signature of a least one (1) agent verifying and witnessing the short pay; and
  - v. Reason for short pay.
- c. In other situations that allow an agent to input a prize payout or change the dollar amount of the prize payout by more than \$1.00 (dollar) in a Class II gaming system that has an automated prize payout component, two (2) agents, one (1) of which is a supervisory employee, must be physically involved in verifying and witnessing the prize payout.

- d. For manually paid promotional prize payouts, as a result of the play of a game and where the amount paid is not included in the prize schedule, the documentation (single-part form or log is acceptable) must include the following information:
  - i. Date and time;
  - ii. Player interface number;
  - iii. Dollar amount paid (both alpha and numeric). Alpha is optional if another unalterable method is used for evidencing the amount paid;
  - iv. The signature of at least one (1) agent verifying and witnessing the manual promotional prize payout of \$599.00 (hundred) or less and two (2) agents verifying and witnessing the manual promotional prize payout exceeding \$599.00 (hundred);
  - v. Description or name of the promotion; and
  - vi. Total amount of manual promotional prize payouts must be recorded by shift, session or other relevant time period.
- e. When a controlled manual payout document is voided, the agent completing the void must clearly mark “VOID” across the face of the document, sign across the face of the document and all parts of the document must be retained for accountability.

E. Operational Controls.

- 1. Procedures must be established and implemented with the intent to prevent unauthorized access to or fraudulent transactions involving cash or cash equivalents.
- 2. Cash or cash equivalents exchanged between two (2) persons must be counted independently by at least two (2) persons and reconciled to the recorded amounts at the end of each shift or if applicable each session. Unexplained variances must be documented and maintained. Unverified transfers of cash or cash equivalents are prohibited.
- 3. Procedures must be established and implemented to control cash or cash equivalents in accordance with this section and based on the amount of the transaction. These procedures include, but are not limited to, counting and recording on an accountability form by

shift, session or relevant time period the following:

- a. Inventory, including any increases or decreases;
  - b. Transfers;
  - c. Exchanges, including acknowledging signatures or initials;  
and
  - d. Resulting variances.
4. Any change of control of accountability, exchange or transfer must require the cash or cash equivalents be counted and recorded independently by at least two (2) persons and reconciled to the recorded amount.

F. Gaming Equipment.

1. Procedures must be established and implemented with the intention to restrict access to agents for the following:
  - a. Controlled gaming equipment/components (e.g., draw objects and back-up draw objects); and
  - b. Random number generator software.
2. The game software components of a Class II gaming system will be identified in the test laboratory report. When initially received, the software must be verified to be authentic copies, as certified by the independent testing laboratory.
3. Procedures must be established relating to the periodic inspection, maintenance, testing, and documentation of a random sampling of gaming equipment/components, including but not limited to:
  - a. Software related to game outcome must be authenticated semi-annually by an agent independent of bingo operations by comparing signatures against the test laboratory letter on file with the gaming regulatory authority for that version.
  - b. Class II gaming system interfaces to external systems must be tested annually for accurate communications and appropriate logging of events.



4. Records must be maintained for each player interface that indicate the date the player interface was placed into service or made available for play, the date the player interface was removed from service and not available for play, and any changes in player interface identifiers.

G. Voucher Systems.

1. The voucher system must be utilized to verify the authenticity of each voucher or coupon redeemed.
2. If the voucher is valid, the patron is paid the appropriate amount.
3. Procedures must be established and implemented to document the payment of a claim on a voucher that is not physically available or a voucher that cannot be validated (e.g., mutilated, expired, lost, stolen, etc.).
  - a. If paid, appropriate documentation is retained for reconciliation purposes.
  - b. Payment of a voucher for \$50.00 (dollar) or more, a supervisory employee must review the applicable voucher system, player interface or other transaction history records to verify the validity of the voucher and initial the voucher or documentation prior to payment.
4. Vouchers redeemed must remain in the cashier's accountability for reconciliation purposes. The voucher redemption system reports must be used to ensure all paid vouchers have been validated.
5. Vouchers paid during a period while the voucher system is temporarily out of operation must be marked "paid", initialed and dated by the cashier. If the voucher is greater than a predetermined amount approved (not to exceed \$500.00 (hundred), a supervisory employee must approve the payment and evidence that approval by initialing the voucher prior to payment.
6. Paid vouchers are maintained in the cashier's accountability for reconciliation purposes.
7. Upon restored operation of the voucher system, vouchers redeemed while the voucher system was temporarily out of operation must be validated as expeditiously as possible.

8. Unredeemed vouchers can only be voided in the voucher system by supervisory employees. The supervisory employee completing the void must clearly mark “void” across the face of the voucher and sign across the face of the voucher, if available. The accounting department will maintain the voided voucher, if available.

H. Patron Accounts Cashless Systems.

1. All smart cards (i.e., cards that possess the means to electronically store or retrieve data) that maintain the only source of account data are prohibited.
2. For patron deposit amounts the following standards must apply:
  - a. For each patron deposit account, an agent must:
    - i. Record the type of identification, credential examined, the credential number, the expiration date of the credential, and the date credential was examined. (Note: A patron’s driver’s license is the preferred method for verifying the patron’s identity. A passport, non-resident alien identification card, other government issued identification credential or another picture identification credential normally acceptable as a means of identification when cashing checks, may also be used.);
    - ii. Record the patron’s name and may include another identifier (e.g., nickname, title, etc.) of the patron, if requested by the patron;
    - iii. Record a unique identity for each patron deposit account;
    - iv. Record the date the account was opened; and
    - v. Provide the account holder with a secure method of access to the account.
  - b. Patron deposit accounts must be established for patrons as designated areas of accountability and the creation of the account must meet all the controls of paragraph (g)(2)(i) of this section when the patron makes an initial deposit of cash or equivalents.
  - c. If the patron account adjustments may be made by the operation, the operation must be authorized by the account holder to make necessary adjustments. This requirement

can be met through the collection of a single authorization that covers the life of the patron deposit account.

d. Patron deposits and withdrawals.

- i. Prior to the patron making a withdrawal from a patron deposit account, the cashier must verify the identity of the patron and availability of funds. Reliance on a secured PIN entered by the patron is an acceptable method of verifying patron identity.
- ii. A multi-part deposit/withdrawal record must be created when the transaction is processed by a cashier, including:
  - 1. Same document number on all copies;
  - 2. Type of transaction;
  - 3. Name or other identifier of the patron;
  - 4. At least the last four (4) digits of the account identifier;
  - 5. Patron signature for withdrawals unless a secured PIN is utilized by the patron;
  - 6. Date of transaction;
  - 7. Dollar amount of transaction;
  - 8. Nature of deposit or withdrawal (e.g., cash, check, chips); and
  - 9. Signature of the cashier processing the transaction.
- iii. A copy of the transaction record must be secured for reconciliation of the cashier's bank for each shift. All transactions involving patron deposit accounts must be accurately tracked.
- iv. The copy of the transaction record must be forwarded to the accounting department at the end of the gaming day.
- v. When a cashier is not involved in the deposit/withdrawal of funds, procedures must be established that safeguard the integrity of the process used.

e. Patron Deposit Account Adjustments.

- i. Adjustments to the patron deposit accounts must be performed by an agent.

- ii. A record must be created when the transaction is processed, including:
  - 1. Unique transaction identifier;
  - 2. Type of transaction, adjustment;
  - 3. Name or other identifier of the patron;
  - 4. At least the last four (4) digits of the account identifier;
  - 5. Date of transaction;
  - 6. Dollar amount of transaction;
  - 7. Reason for the adjustment; and
  - 8. Signature or unique identifier for the agent who made the adjustment.
- iii. The transaction record must be forwarded to the accounting department at the end of the gaming day.
- f. Where available, systems reports that indicate the dollar amount of transactions for patron deposit accounts (e.g., deposits, withdrawal, account adjustments, etc.) that should be reflected in each cashier's accountability must be utilized at the conclusion of each shift in the reconciling of funds.
- g. Cashless transactions and electronic funds transfers to and from patron deposit accounts must be recorded and maintained at the end of the gaming operations specified twenty-four (24) hour accounting period.
- h. Procedures must be established to maintain a detailed record for each patron deposit account that includes the dollar amount of all funds deposited and withdrawn, account adjustments made, and the transfer to or from player interfaces.
- i. Detailed patron deposit account transaction records must be available to the patron upon reasonable request and to the gaming regulatory authority upon request.
- j. Only dedicated gaming operation bank accounts must be used to record electronic funds transfers to or from the patron deposit accounts. Gaming operation bank accounts dedicated to electronic funds transfers to or from the patron deposit accounts must not be used for any other types of

transactions.

3. For promotional and other accounts if the following standards must apply:
  - a. Changes to promotional and other accounts must be performed by an agent.
  - b. The following standards apply if a player tracking system is utilized:
    - i. In the absence of the patron, modifications to balances on a promotional or other account must be made under the authorization of supervisory employees and must be sufficiently documented (including substantiation of reasons for modification). Modifications are randomly verified by independent agents on a quarterly basis. This standard does not apply to the deletion of balances related to inactive or closed accounts through an automated process.
    - ii. Access to inactive or closed accounts is restricted to supervisory employees
    - iii. Patron identification is required when redeeming values. (Reliance on a secured PIN by the patron is an acceptable method of verifying patron identification.)

#### I. Promotions.

1. The conditions for participating in promotional programs, including drawings and giveaway programs must be approved and available for patron review at the gaming operation.
2. Changes to the player tracking systems, promotional accounts, promotion and external bonus system parameters which control features such as the awarding of bonuses, the issuance of cashable credits, non cashable credits, coupons and vouchers, must be performed under the authority of supervisory employees, independent of the department initiating the change. Alternatively, the changes may be performed by supervisory employees of the department initiating the change if sufficient documentation is generated and the propriety of the changes are randomly verified by supervisory employees independent of the department initiating

the change on a monthly basis.

3. All other changes to the player tracking system must be appropriately documented.
4. All relevant controls from Section 10 of this part will apply.

J. Accounting.

1. Accounting/Audit Standards.
  - a. Accounting/auditing procedures must be performed by agents who are independent of the persons who performed the transactions being reviewed.
  - b. All accounting/auditing procedures and actions must be documented (e.g., log, checklist, investigations and notation on reports), maintained for inspection and provided to the gaming regulatory authority upon request.
  - c. Accounting/auditing procedures must be performed reviewing transactions for relevant accounting periods, including a twenty-four (24) hour accounting period and reconciled in total for those time periods.
  - d. Accounting/auditing procedures must be performed within seven (7) days of the transaction's occurrence date being reviewed.
  - e. Accounting/auditing procedures must be in place to review variances related to bingo accounting data, which must include at a minimum any variance noted by the Class II gaming systems for cashless transactions in and out, electronic funds transfer in and out, external bonus payouts, vouchers out and coupon promotion out.
  - f. At least monthly, an accounting/audit agent must confirm that the appropriate investigation has been completed for the review of variances.
2. Audit tasks to be performed for each day's business.
  - a. Records of bingo card sales must be reviewed for proper authorization, completion and accurate calculations.

- b. Manual payout summary report, if applicable, must be reviewed for proper authorizations, completion, accurate calculations, and authorization confirming manual payout summary report totals.
- c. A random sampling of records of manual payouts less than \$1,200.00 (hundred).
- d. Records of all manual prize payouts of \$1,200.00 (hundred) or more must be reviewed for proper authorizations and completion.
- e. Where manual payout information is available per player interface, records of manual payouts must be reviewed against the recorded manual payout amounts per player interface.
- f. Manual payout forms must be reconciled to each cahier's accountability documents and in total for each relevant period (e.g., session, shift, day, etc.).
- g. Records of voided manual payouts must be reviewed for proper authorization and completion.
- h. Records of voided bingo cards must be reviewed for proper authorization and completion.
- i. Use of controlled forms must be reviewed to ensure each form is accounted for.
- j. Where bingo sales are available per player interface, bingo sales must be reviewed for reasonableness.
- k. Amount of financial instruments accepted per financial instrument type and per financial instrument acceptor must be reviewed for reasonableness, to include but not limited to zero amounts.
- l. Where total prize payouts are available per player interface, total prize payouts must be reviewed for reasonableness.
- m. Amount of financial instruments dispensed per financial instrument type and per financial instrument dispenser must be reviewed for reasonableness, to include but not limited

to zero amounts.

- n. For a random sampling, foot the vouchers redeemed and trace the totals to the totals recorded in the applicable cashier's accountability document.
- o. Daily exception information provided by systems used in the operation of bingo must be reviewed for propriety of transactions and unusual occurrences.
- p. Ensure promotional coupons which are not financial instruments are properly cancelled to prevent improper recirculation.
- q. Reconcile all parts of the form used to document transfers that increase/decrease the inventory of an accountability (includes booths and any other accountability areas).
- r. Reconcile voucher liability (e.g., issued-voided-redeemed-expired = unpaid) to the voucher system records.
- s. The total of all patron deposit accounts must be reconciled, as follows:
  - i. A report must be generated that details each day's beginning and ending balance of patron deposit accounts, adjustments to patron deposit accounts, and all patron deposit account transactions.
  - ii. Reconcile the beginning and ending balances to the summary of manual deposit/withdrawal and account adjustment documentation to the patron deposit account report.
- t. Reconcile each day's patron deposit account liability (e.g., deposits  $\pm$  adjustments – withdrawals = total account balance) to the system records.
- u. Reconcile electronic funds transfers to the cashless system records, the records of the outside entity which processed the transaction and the operations dedicated cashless account bank records.
- v. Accounting data used in performance analysis may only be altered to correct amounts that were determined to be in error. When correcting accounting data, the correct amount



must be indicated in any Class II gaming systems exception reports generated.

- w. Accounting/auditing agents must reconcile the audited bingo totals report to the audited bingo accounting data for each day.
  - x. Accounting/auditing agents must ensure each day's bingo accounting data used in performance reports has been audited and reconciled.
  - y. If the Class II gaming system produces exception reports they must be reviewed on a daily basis for propriety of transactions and unusual occurrences.
3. Audit tasks to be performed at relevant periods:
- a. Financial instrument acceptor data must be recorded immediately prior to or subsequent to a financial instrument acceptor drop. The financial instrument acceptor amount-in data must be recorded at least weekly. The time between recordings may extend beyond one (1) week in order for a recording to coincide with the end of an accounting period only if such extension is for no longer than six (6) additional days.
  - b. When a player interface is removed from the floor, the financial instrument acceptor contents must be protected to prevent the misappropriation of stored funds.
  - c. When a player interface is permanently removed from the floor, the financial instrument acceptor contents must be counted and recorded.
  - d. For currency interface systems, accounting/auditing agents must make appropriate comparisons of systems generated count as recorded in the statistical report at least one (1) drop per month. Discrepancies must be resolved prior to generation/distribution of reports.
  - e. For each drop period, accounting/auditing agents must compare the amount-in per financial instrument accepted by the financial instrument acceptors to the drop amount counted for the period. Discrepancies must be resolved

prior to generation/distribution of reports.

- f. Investigation must be performed for any one (1) player interface having an unresolved drop variance in excess of an amount that is both more than \$25.00 (dollar) and at least three percent (3%) of the actual drop. The investigation performed and results of the investigation must be documented, maintained for inspection, and provided to the gaming regulatory authority upon request.
- g. The results of a variance investigation, including the date and personnel involved in any investigation, will be documented in the appropriate report and retained. The results will also include any corrective action taken (e.g., accounting data storage component replaced, interface component repaired, software debugged, etc.). the investigation will be completed and the results documented within seven (7) days of the day the variance was noted, unless otherwise justified.
- h. Procedures must be established and implemented to perform the following on a regular basis, at a minimum of monthly, and using predetermined thresholds:
  - i. Where the Class II gaming system is capable of providing information per player interface, identify and investigate player interfaces with total prize payouts exceeding bingo sales.
  - ii. Where bingo sales is available per player interface, investigate any percentage of increase/decrease exceeding a predetermined threshold, not to exceed twenty percent (20%), in total bingo sales as compared to a similar period of time that represents consistency in prior performance.
  - iii. Investigate any exception noted in paragraphs (J)(3)(h)(i) and (ii) of this section and document the findings. The investigation may include procedures to review one (1) or more of the following:
    - 1. Verify days on floor are comparable.
    - 2. Non-prize payouts for authenticity and propriety.
    - 3. Player interface out of service periods.
    - 4. Unusual fluctuations in manual payouts

- iv. If the investigation does not identify an explanation for exceptions the a physical check procedure must be performed, as required by paragraph (J)(3)(h)(v) of this section.
- v. Document any investigation of unresolved exceptions using a predefined player interface physical check procedure checklist to include a minimum of the following as applicable:
  - 1. Verify game software;
  - 2. Verify player interface configurations;
  - 3. Test amount in accounting data for accuracy upon insertion of financial instruments into the financial instrument acceptor;
  - 4. Test amount out accounting data for accuracy upon dispensing of financial instruments from the financial instrument dispenser;
  - 5. Record findings and repairs or modifications made to resolve malfunctions, including date and time, player interface identifier and signatures as required; and
  - 6. Maintain player interface physical check records, either in physical or electronic form, for the period prescribed by the procedure.
- i. For Class II gaming systems, procedures must be performed at least monthly to verify that the system accounting data is accurate.
- j. For Tier C, at least weekly:
  - i. Financial instruments accepted at a kiosk must be removed and counted by at least two (2) agents; and
  - ii. Kiosk transactions must be reconciled to the beginning and ending balances for each kiosk.
- k. At the conclusion of a promotion, accounting/audit agents must perform procedures (e.g., interviews, review of payout documentation, etc.) to ensure that promotional prize payouts, drawings, and giveaway programs are conducted in accordance with the rules provided to the patrons.

4. Inter-tribal prize pools. Procedures must be established and implemented to govern the participation in inter-tribal prize pools, which at a minimum must include the review, verification and maintenance of the following records, which must be made available, within a reasonable time of the request, to the gaming regulatory authority upon request:
  - a. Summary of contributions in total made to an inter-tribal prize pool;
  - b. Summary of disbursements in total from an inter-tribal prize pool; and
  - c. Summary of inter-tribal prize pool funds availability.
5. Performance Analysis.
  - a. Bingo performance data must be recorded at the end of the gaming operations specified twenty-four (24) hour accounting period. Such data must include:
    - i. Amount-in and amount-out for each Class II gaming system.
    - ii. The total value of all financial instruments accepted by the Class II gaming system by each financial instrument acceptor and by each financial instrument type.
    - iii. The total value of all financial instruments dispensed by the Class II gaming systems and each financial instrument type.
    - iv. The total value of all manual payouts by each Class II gaming system.
    - v. The total value of bingo purchases for each Class II gaming system.
    - vi. The total value of prizes paid for each Class II gaming system.
  - b. Procedures must be established and implemented that ensure the reliability of the performance data.
  - c. Upon receipt of the summary of the data, the accounting department must review it for reasonableness using pre-established parameters defined by the gaming operation.

- d. An agent must record and maintain all required data before and after any maintenance or modifications that involves the clearing of the data (e.g., system software upgrades, data storage media replacement, etc.). The information recorded must be used when reviewing performance reports to ensure that the maintenance or modifications did not improperly affect the data in the reports.
6. Statistical Reporting.
- a. The bingo sales, prize payouts, bingo win, and actual bingo win percentages must be recorded for:
    - i. Each shift or session;
    - ii. Each day;
    - iii. Month-to-date; and
    - iv. Year-to-date or fiscal year-to-date.
  - b. A monthly comparison for reasonableness must be made of the amount of bingo paper sold from the bingo paper control log to the amount of bingo paper sales revenue recognized.
  - c. Management employees independent of the bingo department must review bingo statistical information on at least a monthly basis.
  - d. Agents independent of the bingo department must investigate any large or unusual statistical fluctuations, as defined by the gaming operation.
  - e. Such investigations must be documented, maintained for inspection, and provided to the gaming regulatory authority upon request.
  - f. The actual bingo win percentages used in the statistical reports should not include operating expenses (e.g., a percentage payment to administrators of inter-tribal prize pools), promotional prize payment to bonus payouts not included in the prize schedule.
7. Progressive Prize Pools.
- a. A display that shows the amount of the progressive prize must be conspicuously displayed at or near the player

interface(s) to which the prize applies.

- b. At least once each day, each gaming operation must record the total amount of each progressive prize pool offered at the gaming operation on the progressive log.
- c. When a manual payment for a progressive prize is made from a progressive prize pool, the amount must be recorded on the progressive log.
- d. Each gaming operation must record, on the progressive log, the base reset amount of each progressive prize the gaming operation offers.
- e. Procedures must be established and implemented specific to the transfer of progressive amounts in excess of the base reset amount to other awards or prizes. Such procedures may also include other methods of distribution that accrue to the benefit of the gaming public.

## **Section 10. Management Information Systems**

### **A. General Controls for Gaming Hardware and Software.**

- 1. Management shall take an active role in making sure that physical and logical security measures are implemented, maintained, and adhered to by personnel to prevent unauthorized access that could cause errors or compromise data or processing integrity.
  - a. Management shall ensure that all new gaming vendor hardware and software/contracts contain language requiring the vendor to adhere to tribal internal control standards applicable to the goods and services the vendor is providing.
  - b. Physical security measures shall exist over computer, computer terminals, and storage media to prevent unauthorized access and loss of integrity of data and processing.
  - c. Access to systems software and application programs shall be limited to authorized personnel.

- d. Access to computer data shall be limited to authorized personnel. The Information Services Department shall develop procedures approved by the LTBB Gaming Regulatory Commission that restrict users only to resources that are necessary to conduct their assigned duties.
  - e. Access to computer communications facilities, or the computer system, and information transmissions shall be limited to authorized personnel. Standards in paragraph (A)(1) of this section shall apply to each applicable department within the LTBB Gaming Operation.
- 2. The main computers (i.e., hardware, software, and data files) for each gaming application (e.g., keno, race, and sports, gaming machines, etc.) shall be in a secured area with access restricted to authorized persons, including vendors.
  - 3. Access to computer operations shall be restricted to authorized personnel to reduce the risk of loss of integrity of data or processing.
  - 4. Incompatible duties shall be adequately segregated and monitored to prevent error in general information technology procedures to go undetected or fraud to be concealed.
  - 5. Non-information services personnel shall be precluded from having unrestricted access to the secured computer areas.
  - 6. The computer systems, including application software, shall be secured through the use of passwords or other approved means where applicable. Management personnel or persons independent of the department being controlled shall assign and control access to system functions.
  - 7. Passwords shall be controlled as follows unless otherwise addressed in the standards of this section.
    - a. Each user shall have their individual password.
    - b. Passwords shall be changed at least quarterly with changes documented; and
    - c. For computer systems that automatically force a password change quarterly, documentation shall be maintained that lists the systems change and the date the user was given

access.

- d. Documentation is not required if the system prompts users to change passwords and then denies access if the change is not completed.
8. Adequate Back-up and Recovery Procedures shall be in place that include the following:
- a. Daily back-up of data files;
  - b. Back-up of all programs (backup programs are not required if the program can be reinstalled);
  - c. Secured storage of all backup data files and programs, or other adequate protection to prevent the permanent loss of any data;
  - d. Backup data files and programs may be stored in a secured manner in another building that is physically separated from the building where the system's hardware and software are located. They may also be stored in the same building as the hardware and software as long as they are secured in a fireproof safe or some other manner that will ensure the safety of the files and programs in the event of a fire or other disaster.
  - e. Recovery procedures must be tested on a sample basis at least annually with documentation of results
9. Adequate information technology system documentation shall be maintained, including description of hardware and software, operator manuals, etc.
10. When an individual has multiple user profiles, only one (1) user profile per application may be used at a time.
11. The system must be updated to change the status of terminated users from active to inactive status within seventy-two (72) hours of termination.
12. At least quarterly, independent agents must review user access records for appropriate assignment of access and to ensure that terminated users do not have access to system functions.



13. Documentation of the quarterly user access review must be maintained.
14. System exception information (e.g., changes to the system parameters, corrections, overrides, voids, etc.) must be maintained.
15. Procedures must be established and implemented to ensure access listings are maintained which include at a minimum:
  - a. User name or identification number (or equivalent); and
  - b. Listing of functions the user can perform or equivalent means of identifying the same.

**B. Independence of Management Information Systems Personnel.**

1. The Management Information Systems personnel shall be independent of the gaming areas (e.g., cage, pit, card rooms, etc.). Management Information Systems Personnel Procedures and controls are documented and responsibilities communicated.
2. Management Information Systems personnel shall be precluded from unauthorized access to the following:
  - a. Computers and terminals located in the gaming areas;
  - b. Source documents; and
  - c. Live data files (not test data).
3. Management Information Systems personnel shall be restricted from:
  - a. Having unauthorized access to cash or other liquid assets except pay phones; and
  - b. Initiating general or subsidiary ledger entries.

**C. Security Logs.**

1. Computer security logs are generated by the systems and shall be reviewed by Management Information Systems supervisory personnel for evidence of the following:

- a. Multiple attempts to log-on, or alternatively, the system shall deny the user access after three unsuccessful attempts to log-on;
  - b. Unauthorized changes to live data files; and
  - c. Any other unusual transactions.
2. This paragraph shall not apply to personal computers.

**D. Access Records.**

1. Procedures must be established and implemented to ensure computer access records, if capable of being generated by the computer, are reviewed for propriety for the follow at a minimum:
  - a. Class III gaming systems;
  - b. Accounting/auditing systems;
  - c. Cashless systems;
  - d. Voucher systems;
  - e. Player tracking systems; and
  - f. External bonusing systems.
2. If the computer system cannot deny access after a predetermined number of consecutive unsuccessful attempts to log on, the system must record unsuccessful log on attempts.

**E. Remote Access.**

1. For computer systems that can be accessed remotely, the written system of internal controls must specifically address remote access procedures including at a minimum:
  - a. Record the application remotely accessed, authorized user's name and business address and version number, if applicable;
  - b. Require an approved secured connection;

- c. The procedures used in establishing and using passwords to allow authorized users to access the computer system through remote access;
  - d. The agents involved and procedures performed to enable the physical connection to the computer system when the authorized user requires access to the system through remote access; and
  - e. The agents involved and procedures performed to ensure the remote access connection is disconnected when the remote access is no longer required.
2. If remote access (e.g., VPN, modem, wireless, etc.) to any associated equipment is allowed for software support, the LTBB Gaming Operation shall maintain an access log that includes the following:
- a. Name of employee authorizing remote access;
  - b. Name of authorized programmer or manufacturer representative;
  - c. Reason for remote access; and
  - d. Description of work performed in adequate detail to include the old and new version numbers, if applicable of any software that was modified and details regarding any other changes made to the system; and
  - e. Date, time, and duration of access.
3. Computer generated logs, if possible, will be required and shall include the following for each access:
- a. Username;
  - b. Date, time, and duration of access.

**F. Document Storage.**

1. Documents may be scanned or directly stored to an alternative storage medium under the following conditions:

- a. The storage medium shall contain the exact duplicate of the original document;
- b. All documents stored on the storage medium shall be maintained with a detailed index containing the LTBB Gaming Operation Department and the date. This index shall be available to the LTBB Gaming Regulatory Commission upon request;
- c. With adequate notice by the LTBB Gaming Regulatory the hardware (terminal; printer, etc.) shall be available in order to perform auditing procedures upon request;
- d. Control shall exist to ensure the accurate reproduction of records not to exclude the printing of all stored documents used for auditing purposes.
- e. Computer generated logs shall be retained for a minimum of five (5) years.
- f. The storage of medium shall be retained for a minimum of five (5) years.
- g. Original documents must be retained until the books and records have been audited by an independent certified public accountant.

### **CERTIFICATION**

As Chairperson, I certify that I approve of these amendments, Section 4, Bingo and Section 10, Management Information Systems to the Tribal Minimum Internal Control Standards to be posted to the website for comment.

Date: \_\_\_\_\_

\_\_\_\_\_  
Ken Harrington, Tribal Chairperson